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AM
DDI 3406 -87

17 AUG 1964

MEMORANDUM FOR: Director of Central Intelligence
THROUGH : Executive Director-Comptroller
SUBJECT : Reduction in DDI Force
REFERENCES : a. Action Memorandum A-397 (30 June 64)
b. Responsive DDI Memorandum for Executive Director-Comptroller (15 July 64), with copies to DCI and DDCI
c. Executive Director-Comptroller memorandum for DDI, subj: FY 1965 Position and Fund Allowances (27 July 64)

1. In my memorandum responding to the Executive Director-Comptroller's directive cutting the DDI by [] positions, and in subsequent conversations with you, with General Carter, and with Mr. Kirkpatrick, I pointed out the price in curtailment of substantive programs we would pay for this reduction. 25X1A

2. I also emphasized that:

a. this cut would worsen the existing imbalance in the overall intelligence effort between the resources allocated to collection and those devoted to its exploitation through evaluation and analysis;

b. we would suffer particularly in the military and economic areas, where present resources are already inadequate to meet rising demands;

c. under this cutback we would not be able to carry out effectively your earlier decision to develop a first-rate information handling system; and

d. certain structural realignments of offices and staffs would have to be made precipitately rather than in a more gradual way.

3. It is because of these facts that it seems to me in the overall Agency interest not to impose this reduction in force on the Directorate of Intelligence. If nevertheless you feel the cuts are unavoidable, I should like to have your express authorization to proceed promptly with changes in organization and programs to cut back our intelligence production along the lines indicated in my 15 July memorandum.

4. In any event, I want to assure you that we shall, by means of altering our organizational structures and other managerial economies, continue to seek to make the most effective use possible of the resources placed at our disposal, whatever they may be.

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RAY S. CLINE
Deputy Director (Intelligence)

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